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Opinion Piece

Submitted by The Greater Moncton Chamber of Commerce

NEW CROSS-BORDER SHOPPING RULES REASON FOR CONCERN

On March 29th, the Federal Minister of Finance, Jim Flaherty, presented the government's budget. Most of us will have a hard time remembering the highlights of this budget as there was nothing offered that was of any significant benefit for businesses or citizens. However, one particular item in this year's budget was recalled by most Canadians. Effective June 1th, cross-border shoppers can bring back \$200 worth of goods duty free from the United States on 24-hour trips, instead of \$50 allowable today. The limit has been doubled for trips of 48 hours, up to \$800. At first, this news got cheers by the public. After all, Canadians do enjoy shopping, and we love getting a bargain, right? So what's the big deal? Well, it is a very bad deal for local business owners.

Like our counterparts nationwide, the Greater Moncton Chamber of Commerce has always supported local businesses. Our core mission is to help our members grow and prosper, by encouraging the public to buy local. Keeping customers on this side of the border is beneficial for the economy and benefits the community. Thriving local businesses create jobs and generate tax dollars which support schools, charities, community development and vital infrastructure funds.

However, with this federal announcement, it looks like the government is encouraging people to go south to spend their money. Alongside these new rules, Ottawa will lose revenues from taxes and duties (an estimated \$17 million for 2013-14). Banning cross-border shopping would be impossible and unfavorable, but making it actually easier for Canadian earned dollars to leak out of the Canadian economy feels inappropriate.

Our currency is hovering around parity with the US dollar these days, and Canada's economy is in bad condition, the worst it has been in decades. We wonder if the government surveyed business organizations regarding the impact of these new measures, especially in a province like New Brunswick where the financial situation is challenging and people are living a reasonable drive away from the border. Given this, the federal plans should be a reason for concern. For Greater Moncton, the retail sector is a vital and important element of the economy. Our region wants to become the premiere shopping destination in Atlantic Canada. We ask ourselves, how do these new border regulations fit into the bigger picture?

Admitting there is nothing that we are likely able to do in order to change this announced ruling, The Greater Moncton Chamber of Commerce believes it is important to raise this concern on behalf of its members, and encourage area citizens to continue to shop locally and support local businesses and success stories.

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